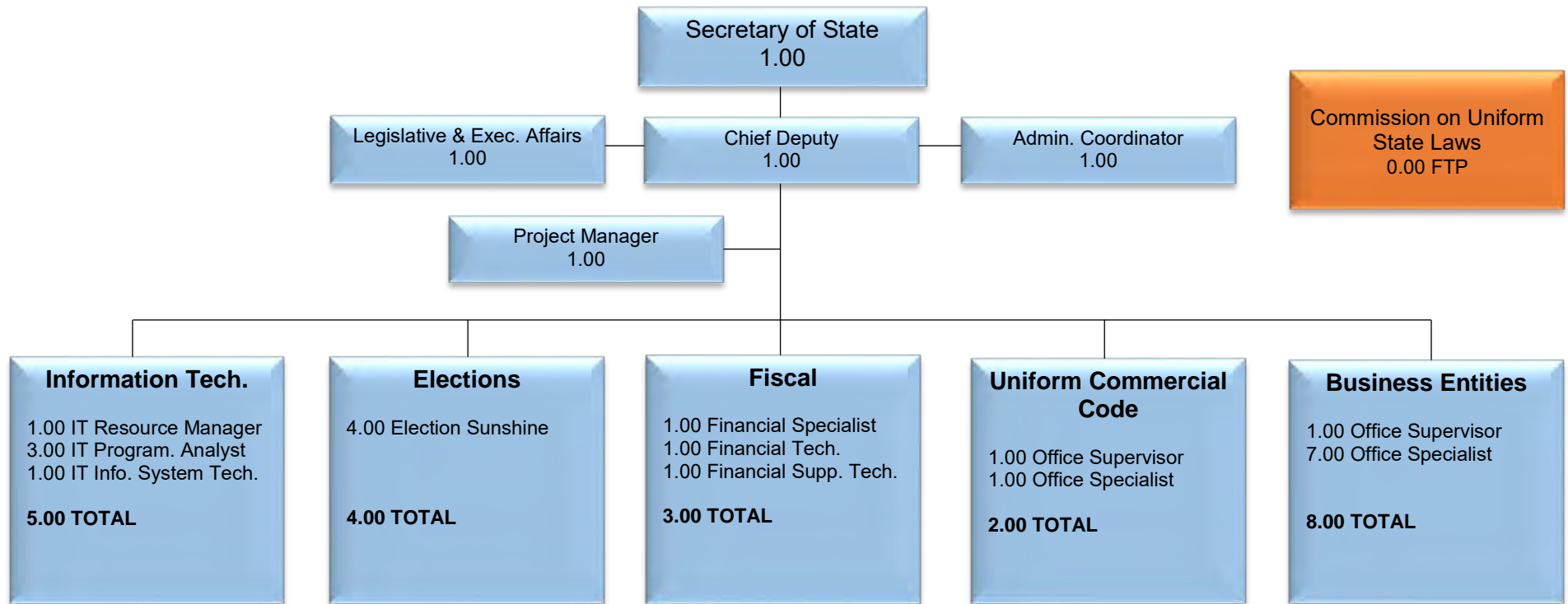


Secretary of State Agency Profile

Analyst: Hoskins

Organizational Chart



27.00 FTP

Secretary of State

Analyst: Hoskins

FY 2016 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2016 Original Appropriation							
0001-00	Gen	27.00	1,834,500	324,800	0	2,000,000	0	4,159,300
Totals:		27.00	1,834,500	324,800	0	2,000,000	0	4,159,300
0.43	Supplementals							
0001-00	Gen	0.00	0	1,558,000	0	0	0	1,558,000
Totals:		0.00	0	1,558,000	0	0	0	1,558,000
1.00	FY 2016 Total Appropriation							
0001-00	Gen	27.00	1,834,500	1,882,800	0	2,000,000	0	5,717,300
Totals:		27.00	1,834,500	1,882,800	0	2,000,000	0	5,717,300
1.21	Net Object Transfer							
0001-00	Gen	0.00	(158,500)	158,500	0	0	0	0
Totals:		0.00	(158,500)	158,500	0	0	0	0
1.61	Reverted Appropriation							
0001-00	Gen	0.00	(600)	(154,900)	0	(54,500)	0	(210,000)
Totals:		0.00	(600)	(154,900)	0	(54,500)	0	(210,000)
1.71	Current Year Reappropriation							
0001-00	Gen	0.00	0	(258,000)	0	0	0	(258,000)
Totals:		0.00	0	(258,000)	0	0	0	(258,000)
2.00	FY 2016 Actual Expenditures							
0001-00	Gen	27.00	1,675,400	1,628,400	0	1,945,500	0	5,249,300
	General		1,675,400	1,628,400	0	1,945,500	0	5,249,300
Totals:		27.00	1,675,400	1,628,400	0	1,945,500	0	5,249,300
Difference: Actual Expenditures minus Total Appropriation								
0001-00	Gen		(159,100)	(254,400)	0	(54,500)	0	(468,000)
	General		(8.7%)	(13.5%)	N/A	(2.7%)	N/A	(8.2%)
Difference From Total Approp			(159,100)	(254,400)	0	(54,500)	0	(468,000)
Percent Diff From Total Approp			(8.7%)	(13.5%)	N/A	(2.7%)	N/A	(8.2%)

Secretary of State

FY 2017 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2016 Original Appropriation	27.00	4,159,300	0	0	4,159,300
Supplementals					
1. Voting System Grants to Counties	0.00	1,300,000	0	0	1,300,000
2. Online Voter Registration (S1297a)	0.00	258,000	0	0	258,000
FY 2016 Total Appropriation	27.00	5,717,300	0	0	5,717,300
FY 2016 Estimated Expenditures	27.00	5,717,300	0	0	5,717,300
Removal of One-Time Expenditures	0.00	(3,601,600)	0	0	(3,601,600)
FY 2017 Base	27.00	2,115,700	0	0	2,115,700
Benefit Costs	0.00	27,000	0	0	27,000
Statewide Cost Allocation	0.00	500	0	0	500
Annualizations	0.00	1,000	0	0	1,000
27th Payroll	0.00	52,300	0	0	52,300
Change in Employee Compensation	0.00	45,400	0	0	45,400
FY 2017 Program Maintenance	27.00	2,241,900	0	0	2,241,900
Line Items					
1. Voter Registration System Maintenance	0.00	627,000	0	0	627,000
2. Election Costs	0.00	300,000	0	0	300,000
3. Conference Costs	0.00	6,700	0	0	6,700
FY 2017 Total	27.00	3,175,600	0	0	3,175,600
Chg from FY 2016 Orig Approp.	0.00	(983,700)	0	0	(983,700)
% Chg from FY 2016 Orig Approp.	0.0%	(23.7%)			(23.7%)

Secretary of State

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	5,672,700	5,204,700	3,127,900	3,837,400	3,859,600
Commission on Uniform State Laws	44,600	44,600	47,700	49,600	49,600
Total:	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
BY FUND CATEGORY					
General	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
Percent Change:		(8.2%)	(39.5%)	22.4%	23.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,834,500	1,675,400	1,960,200	2,145,600	2,167,800
Operating Expenditures	1,882,800	1,628,400	1,215,400	1,741,400	1,741,400
Trustee/Benefit	2,000,000	1,945,500	0	0	0
Total:	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
Full-Time Positions (FTP)	27.00	27.00	27.00	29.00	29.00

Department Description

The Secretary of State is one of seven statewide elected officials in Idaho. The officeholder's constitutional and statutory responsibilities include membership on the State Board of Land Commissioners and the Board of Examiners. There are two budgeted programs and one continuously appropriated program in the Office of the Secretary of State:

ADMINISTRATION

The Administration Program performs all the constitutional and statutory functions of the Office of the Secretary of State, including registering the official acts of the Legislature and the Governor; administering and certifying elections; maintaining a registry of tort claims, extraditions, deeds, official oaths, and gubernatorial appointments; administering the Sunshine Law; and maintaining and operating the Centralized Uniform Commercial Code as it relates to state, commercial, and farm product filings. [Statutory Authority: Section 67-901, Idaho Code]

COMMISSION ON UNIFORM STATE LAWS

The Commission on Uniform State Laws is composed of four members who are appointed by the Governor. The commission studies proposed uniform laws and drafts legislation for consideration by the Idaho Legislature where uniformity among state laws is desirable. [Statutory Authority: Section 67-1701, Idaho Code]

IDAHO CODE COMMISSION

The budget for the Idaho Code Commission is continuously appropriated. The three-member commission, of which the Secretary of State is the ex-officio secretary, is responsible for compiling the Idaho Code annually. [Statutory Authority: Section 73-201, Idaho Code]

Secretary of State

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	27.00	3,175,600	3,175,600	27.00	3,175,600	3,175,600
Reappropriation	0.00	258,000	258,000	0.00	258,000	258,000
1. Business Entities IT Upgrade	1.00	2,222,200	2,222,200	1.00	2,222,200	2,222,200
FY 2017 Total Appropriation	28.00	5,655,800	5,655,800	28.00	5,655,800	5,655,800
Removal of One-Time Expenditures	0.00	(2,801,600)	(2,801,600)	0.00	(2,801,600)	(2,801,600)
FY 2018 Base	28.00	2,854,200	2,854,200	28.00	2,854,200	2,854,200
Benefit Costs	0.00	31,800	31,800	0.00	22,500	22,500
Statewide Cost Allocation	0.00	(400)	(400)	0.00	(400)	(400)
Annualizations	0.00	60,000	60,000	0.00	60,000	60,000
Change in Employee Compensation	0.00	16,000	16,000	0.00	47,800	47,800
FY 2018 Program Maintenance	28.00	2,961,600	2,961,600	28.00	2,984,100	2,984,100
1. Business Entities IT Maintenance	0.00	18,500	18,500	0.00	18,500	18,500
2. IT Support Staff	1.00	92,300	92,300	1.00	92,000	92,000
3. Elections Software Upgrade	0.00	660,000	660,000	0.00	660,000	660,000
4. Publication of Idaho Blue Book	0.00	40,000	40,000	0.00	40,000	40,000
5. Conference Costs	0.00	8,600	8,600	0.00	8,600	8,600
Cybersecurity Insurance	0.00	106,000	106,000	0.00	106,000	106,000
FY 2018 Total	29.00	3,887,000	3,887,000	29.00	3,909,200	3,909,200
Change from Original Appropriation	2.00	711,400	711,400	2.00	733,600	733,600
% Change from Original Appropriation		22.4%	22.4%		23.1%	23.1%

Secretary of State

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	27.00	3,175,600	0	0	3,175,600

Reappropriation

Secretary of State

Pursuant to S1418 (2016), the Secretary of State was authorized to reappropriate or carryover the unencumbered and unspent appropriation of \$258,000 provided to implement the online voter registration system, as authorized by S1297a (2016). Of the total amount, \$258,000 in operating expenditures was reappropriated for FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	258,000	0	0	258,000
Governor's Recommendation	0.00	258,000	0	0	258,000

1. Business Entities IT Upgrade

Secretary of State

The Secretary of State requests \$2,222,200 from the General Fund to begin implementation of an 18-month project to upgrade the IT system that runs the business entities office and manages filings for corporate entities, Uniform Commercial Code, notaries, trademarks, and apostilles. The current system was designed prior to 2005, and is operating on a server base and software that is no longer supported. The upgrades will create new functionality for consumers, allowing them to file documents online, while also reducing the risk of offline downtime and service interruption issues from system failures. To coincide with the system upgrade, and to enhance its capabilities, the Secretary of State also requests to replace its existing unsupported phone system, move its software to a cloud-based system, and redesign its website to provide access to the new online functions. Costs include \$1,650,000 for development; \$300,000 for the associated software license; \$70,000 for the redesign and development of the website; \$17,800 for phones; \$20,000 for cloud-based software migration; \$105,000 for a contract project manager; \$20,000 for a contract network architect; and 1.00 FTP and \$39,400 to hire a new IT manager for four months in FY 2017. Of the total amount requested, \$2,182,800 in operating expenditures is one-time and \$39,400 in personnel costs is ongoing. The Secretary of State expects this phase of the project to be completed during FY 2018 and plans to encumber portions of the one-time operating expenditures that are not expended during FY 2017. The annualized personnel costs of this phase of the project are requested as an FY 2018 annualization.

Agency Request	1.00	2,222,200	0	0	2,222,200
Governor's Recommendation	1.00	2,222,200	0	0	2,222,200

FY 2017 Total Appropriation

Agency Request	28.00	5,655,800	0	0	5,655,800
Governor's Recommendation	28.00	5,655,800	0	0	5,655,800

Removal of One-Time Expenditures

Agency Request	0.00	(2,801,600)	0	0	(2,801,600)
Governor's Recommendation	0.00	(2,801,600)	0	0	(2,801,600)

FY 2018 Base

Agency Request	28.00	2,854,200	0	0	2,854,200
Governor's Recommendation	28.00	2,854,200	0	0	2,854,200

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	31,800	0	0	31,800
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	22,500	0	0	22,500
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Secretary of State

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100, State Controller fees will decrease by \$600 and State Treasurer fees will increase by \$100, for a net reduction of \$400.					
Agency Request	0.00	(400)	0	0	(400)
Governor's Recommendation	0.00	(400)	0	0	(400)

Annualizations

Personnel costs in the amount of \$1,000 from the General Fund are requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The Secretary of State's pay increased on January 1, 2017 by 1.5%, from \$104,207 to \$105,771 annually, and this adjustment funds the increase from July 1, 2017 through December 31, 2017.

Also requested is \$59,000 to cover the annualized personnel costs associated with the IT manager position requested as a supplemental appropriation for FY 2017.

Agency Request	0.00	60,000	0	0	60,000
Governor's Recommendation	0.00	60,000	0	0	60,000

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. Of the total amount, \$1,000 is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The Secretary of State's pay will increase on January 1, 2018 by 1.5%, from \$105,771 to \$107,357 annually.

Agency Request	0.00	16,000	0	0	16,000
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	47,800	0	0	47,800
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FY 2018 Program Maintenance					
Agency Request	28.00	2,961,600	0	0	2,961,600
Governor's Recommendation	28.00	2,984,100	0	0	2,984,100

1. Business Entities IT Maintenance

Secretary of State

This is a request for the ongoing costs associated with the Secretary of State's supplemental request to upgrade its Business Entities IT system. Total ongoing costs of the project amount to \$214,700 in operating expenditures from the General Fund, which include \$84,200 for system maintenance, \$71,200 for web hosting, \$52,800 for infrastructure management, and \$6,500 for licensing. Of this amount, however, only \$18,500 is needed in FY 2018, leaving the remaining ongoing amount of \$196,200 to be included as an annualization in the Secretary of State's FY 2019 budget request.

Agency Request	0.00	18,500	0	0	18,500
Governor's Recommendation	0.00	18,500	0	0	18,500

2. IT Support Staff

Secretary of State

Ongoing personnel costs in the amount of \$92,300 from the General Fund and 1.00 FTP are requested to hire a network administrator to provide staff support for the Secretary of State's technology projects. The network administrator would be responsible for the management and maintenance of the agency's IT infrastructure and network connectivity.

Agency Request	1.00	92,300	0	0	92,300
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Health insurance costs were reduced to recommended level.

Governor's Recommendation	1.00	92,000	0	0	92,000
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Secretary of State

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Elections Software Upgrade					Secretary of State
This request is for \$660,000 in operating expenditures from the General Fund to replace software modules used by the elections division for campaign finance reporting and lobbyist registration and management. According to the agency, the existing software was developed in-house. Whereas the new systems would be modifiable, off-the-shelf products that would increase turnaround time on reporting, decrease inputting time, and provide greater transparency for Idaho residents. Of the total amount requested, \$60,000 is ongoing for hosting, infrastructure management, and maintenance; and \$600,000 is one-time for the addition of modules for the elections division (\$300,000) and campaign finance reporting and lobbyist registration (\$300,000).					
Agency Request	0.00	660,000	0	0	660,000
Governor's Recommendation	0.00	660,000	0	0	660,000
4. Publication of Idaho Blue Book					Secretary of State
The Secretary of State is requesting \$40,000 in one-time operating expenditures from the General Fund to offset the cost of publishing the Idaho Blue Book. The Secretary of State is required to publish the Blue Book biennially pursuant to Section 67-915, Idaho Code. The Idaho Blue Book is a comprehensive reference of Idaho civic history used by schools, citizens, and legislators.					
Agency Request	0.00	40,000	0	0	40,000
Governor's Recommendation	0.00	40,000	0	0	40,000
5. Conference Costs					Commission on Uniform State Laws
The Secretary of State requests \$8,600 in one-time operating expenditures from the General Fund for the four members of the Commission on Uniform State Laws to attend the annual National Conference of Commissioners on Uniform State Laws, which will be held in San Diego, California. Costs include \$2,400 for registration, \$2,048 for meals, \$7,532 for hotel, \$2,000 for airfare, \$320 for ground transportation, \$35,150 for annual dues, and \$150 for workers' compensation. The commission has a base appropriation of \$41,000 for conference costs, so this request reflects the additional amount needed to meet the projected costs of attending the conference this year.					
Agency Request	0.00	8,600	0	0	8,600
Governor's Recommendation	0.00	8,600	0	0	8,600
Cybersecurity Insurance					Secretary of State
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	106,000	0	0	106,000
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	106,000	0	0	106,000
FY 2018 Total					
Agency Request	29.00	3,887,000	0	0	3,887,000
Governor's Recommendation	29.00	3,909,200	0	0	3,909,200
Agency Request					
Change from Original App	2.00	711,400	0	0	711,400
% Change from Original App	7.4%	22.4%			22.4%
Governor's Recommendation					
Change from Original App	2.00	733,600	0	0	733,600
% Change from Original App	7.4%	23.1%			23.1%